

**DURHAM, NORTH CAROLINA
THURSDAY, APRIL 18, 2002
12:00 NOON**

Pursuant to the proper notification, the Durham City Council held a Joint City Council and Durham Housing Authority meeting on the above date and time in the Committee Room at City Hall with the following members present: Mayor Bell, Mayor Pro Tempore Cheek and Council Members Clement, Cole-McFadden and Stith. Absent: Council Member Best. Excused Absence: Council Member Edwards.

Also present: Interim Assistant City Manager Sharon Laisure, Assistant City Attorney Sherri Rosenthal, City Clerk D. Ann Gray and Deputy City Clerk Linda Bratcher.

Durham Housing Authority Board Present: Deloris Rogers, William Brannon, John Dagenhart, Robert Glenn, Pamela Parker and Rashanne Charita Woods.

Mayor Bell called the joint meeting to order and at that time, Deloris Rogers requested a moment of silence in memory of Durham Housing Authority Board Member Alice Anderson.

**SUBJECT: CITY'S HOUSING IMPACT POLICY - DURHAM HOUSING
AUTHORITY (DHA)**

To discuss the impact of the City's Housing Impact Policy on Housing Authority projects.

Deloris Rogers, representing DHA Board, thanked the City Council for this meeting and presented them with the following Resolution and Memorandum adopted by the Durham Housing Board at its April 16, 2002 meeting. Also, she recognized Board Member Robert Glenn who gave an overview of the Memorandum highlighting concerns raised by the Board.

RESOLUTION

WHEREAS, the Housing Authority of the City of Durham (hereinafter referred to as "DHA") works for and supports the increase of affordable, safe, and sanitary housing in the City and County of Durham; and

WHEREAS, DHA applauds and supports the Durham City Council in its intent to provide opportunities for all persons in need of affordable housing to live throughout the City of Durham.

NOW, THEREFORE, be it resolved that in order to support these two goals, DHA encourages the Durham City Council to take the following steps:

April 18, 2002

1. Rescind the existing Housing Impact Policy approved by the Durham City Council on August 19, 1996;
2. Convene a task force of representative citizens to study and propose a housing plan which is supportive of our stated goals; and
3. Adopt a housing plan which will be applicable to all future developments and projects for affordable housing within the City of Durham.

RESOLVED further that the chair of the Board of Commissioners of DHA be empowered to present this Resolution to the Durham City Council at its session of April 18, 2002.

This the 16th day of April, 2002.

Board of Commissioners of the
Housing Authority of the City of Durham

James R. Tabron, Secretary

MEMORANDUM

The following is a written discussion which has been prepared for submission to the Durham City Council by the Board of Commissioners of the Housing Authority of the City of Durham, on April 18, 2002 regarding the present "Housing Impact Policy" (hereinafter referred to as the "Policy") which was approved by the Council on August 19, 1996.

As a preface, it is regrettable that an unintended consequence of the Policy is that areas of greatest need are least likely to have those needs addressed, whether it is within or outside of their existing neighborhood boundaries. The Commissioners of the Housing Authority appreciate the opportunity to speak with the Council about our concerns.

- A. We would urge the Council to recognize the Policy is not applicable to any of the pending development projects for the following reasons:
 1. The policy was designed as an interim stop gap measure pending adoption of a comprehensive plan. The Policy has become obsolete and has never been applied.
 2. The formulas and guidelines in the Policy were set forth to assist the Council in making its decisions concerning sites for affordable housing. These formulas and guidelines were merely instructive, but not conclusive. They should be read in

- connection with the city's stated housing goals. Considering the benefits of pending projects, the Council should not apply the Policy to block these projects.
- B. We would also urge the Council not to apply the Policy to the pending development projects because it was not publicized, was not codified as a regulation and is vague and unclear.
- C. The policy is in conflict with the stated goals of the City Council. The Council is on record in favor of the "creation of viable sustainable neighborhoods with safe, decent and affordable housing." Also, the City Council has acknowledged that Durham has a shortage of affordable housing that needs to be corrected.
1. The policy does not allow for projects that replace or rehabilitate existing structures.
 2. The policy does not allow for broad based projects like HOPE VI which are designed to improve the entire neighborhood through the use of subsidized and non-subsidized housing, market rate and non-market rate housing.
 - a. If the current policy is applied, HOPE VI is in serious jeopardy and its leverage potential will not be realized.
 - b. Under the policy, the average percentage of very low income, inadequately housed families in NECD will not decrease.
 - c. Under the policy, there will not be a programmatic increase in the number of market rate and home ownership units.
 - d. Under the policy, NECD will be denied access to the full range of service supports and economic opportunities available to the community.
 3. The policy restricts the construction of any additional affordable housing in the Central City and limits the construction of affordable outside the Central City, such as by creating special tax districts, providing bond money for such projects or making low interest loans for developers to build outside the central city.
 4. It does not clearly articulate an approach for addressing changes in community housing needs.
 5. It fails to establish a correlation between housing condition and the increased or decreased need for subsidized/affordable housing.

April 18, 2002

6. It does not establish any reasonable cost benefit parameters for the development of subsidized/affordable housing.

Mayor Bell noted it is not Council's intent to have a policy in place to preclude the revitalization and redevelopment of NECD specifically HOPE VI program. Also, the Mayor asked the Assistant City Attorney if the City's policy prohibits DHA from removing existing units and replacing them with a comfortable number or less.

Sherri Rosenthal, Assistant City Attorney, noted the current policy as stated is advisory to Council and would not have the effect of precluding anything.

Robert Glenn, representing DHA Board, suggested the policy could have some unattended results noting the definition of subsidized housing does not include tax credit programs. Also, he urged Council to have the policy rescinded and reworked with a task force to look at all general issues.

Mayor Pro Tempore Cheek expressed concern about the policy due to one for one replacement and spoke in support of rescinding policy and coming up with a comprehensive policy. Also, he spoke in support of the resolution by DHA.

Council Member Cole-McFadden spoke in opposition to rescinding policy; however, she supports a committee of citizens to review the Housing Impact policy.

Council Member Clement spoke in support of rescinding policy.

Mayor Bell spoke in support of having more public discussion on this issue and based on the outcome of discussion at today's Work Session, this item will be addressed at the May 6, 2002 City Council Meeting.

It was indicated that there would be no impact on existing projects if policy is rescinded.

Council Member Stith spoke in support of current policy being revised.

Mayor Pro Tempore Cheek asked are there any projects underway that would be adversely impacted if Council does not take action before May 6.

Charlene Montford, Housing & Community Development Director, replied no and noted there are eight projects that staff is evaluating and have indicated to NCFHA that they will have a response from Council on May 21.

Council held discussion on HOPE VI project.

Charlene Montford, Housing & Community Development Director, noted the existing policy would have an impact on HOPE VI. Also, she noted staff is working to establish a committee to review the current policy and bring back a report to Council on May 20.

April 18, 2002

John Dagenhart, representing DHA Board, expressed concern with Housing Impact Policy.

Mayor Bell asked staff how could the Housing Impact policy have an impact on HOPE VI replacement.

Charlene Montford, Housing & Community Development Director, noted policy is vague and the issue of replacement housing is not addressed in the current policy.

Several Council members spoke in support of this item coming back to Council sooner than May 20th.

Charlene Montford, Housing & Community Development Director, outlined reason for the May 20th deadline noting staff is pulling together a committee of experts across the field with tax credit experience, developers, attorneys and planners.

Robert Glenn, representing DHA Board, noted that Ms. Montford's concerns are valid and it may take more than a month to adopt a policy.

Mayor Pro Tempore Cheek spoke in support of taking as much time as needed to develop a comprehensive plan.

Council held discussion on rescission of policy.

Mayor Bell raised a concern about rescission noting he needs to have a better understanding of how does Council safeguard against other projects coming forward if another policy is not in place.

Deloris Rogers, representing DHA Board, made comments noting that the Board will be waiting to receive a decision from the City Council.

There being no further business to come before the City Council and Durham Housing Authority Board, the joint meeting adjourned at 12:40 p.m.

Linda E. Bratcher
Deputy City Clerk

D. Ann Gray, CMC
City Clerk